

HOUSE BILL NO. 152

INTRODUCED BY G. BRANAE

BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION

A BILL FOR AN ACT ENTITLED: "AN ACT APPLYING THE INFLATION ADJUSTMENT TO THE BASIC AND PER-ANB ENTITLEMENTS, THE QUALITY EDUCATOR PAYMENT, THE INDIAN EDUCATION FOR ALL PAYMENT, AND THE AMERICAN INDIAN ACHIEVEMENT GAP PAYMENT; AMENDING SECTIONS 20-9-306, 20-9-327, 20-9-329, AND 20-9-330, MCA; AND PROVIDING EFFECTIVE DATES AND APPLICABILITY DATES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 20-9-306, MCA, is amended to read:

"20-9-306. Definitions. As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

(1) "BASE" means base amount for school equity.

(2) "BASE aid" means:

(a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district;

(b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the special education allowable cost payment;

(c) the total quality educator payment;

(d) the total at-risk student payment;

(e) the total Indian education for all payment; and

(f) the total American Indian achievement gap payment.

(3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic entitlement, 80% of the total per-ANB entitlement, 100% of the total quality educator payment, 100% of the total at-risk student payment, 100% of the total Indian education for all payment, 100% of the total American Indian achievement gap payment, and 140% of the special education allowable cost payment.

(4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may

1 be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through
2 20-9-369.

3 (5) "BASE funding program" means the state program for the equitable distribution of the state's share
4 of the cost of Montana's basic system of public elementary schools and high schools, through county equalization
5 aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the
6 BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

7 (6) "Basic entitlement" means:

8 (a) ~~\$230,199~~ \$236,552 for each high school district;

9 (b) ~~\$20,718~~ \$21,290 for each elementary school district or K-12 district elementary program without an
10 approved and accredited junior high school or middle school; and

11 (c) the prorated entitlement for each elementary school district or K-12 district elementary program with
12 an approved and accredited junior high school or middle school, calculated as follows using either the current
13 year ANB or the 3-year ANB provided for in 20-9-311:

14 (i) ~~\$20,718~~ \$21,290 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of
15 kindergarten through grade 8; plus

16 (ii) ~~\$230,199~~ \$236,552 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten
17 through grade 8.

18 (7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to
19 20-9-311.

20 (8) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement
21 for the general fund budget of a district and funded with state and county equalization aid.

22 (9) "Maximum general fund budget" means a district's general fund budget amount calculated from the
23 basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator payment,
24 the total at-risk student payment, the total Indian education for all payment, the total American Indian achievement
25 gap payment, and the greater of:

26 (a) 175% of special education allowable cost payments; or

27 (b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures
28 to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a
29 maximum allowable ratio of 200%.

30 (10) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted

1 that is above the BASE budget and below the maximum general fund budget for a district.

2 (11) "Total American Indian achievement gap payment" means the payment resulting from multiplying
3 ~~\$200~~ \$203 times the number of American Indian students enrolled in the district as provided in 20-9-330.

4 (12) "Total at-risk student payment" means the payment resulting from the distribution of any funds
5 appropriated for the purposes of 20-9-328.

6 (13) "Total Indian education for all payment" means the payment resulting from multiplying ~~\$20.40~~ \$25
7 times the ANB of the district or ~~\$100~~ \$125 for each district, whichever is greater, as provided for in 20-9-329.

8 (14) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations
9 and using either the current year ANB or the 3-year ANB provided for in 20-9-311:

10 (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$5,704~~ \$5,861
11 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through
12 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

13 (b) for an elementary school district or a K-12 district elementary program without an approved and
14 accredited junior high school or middle school, a maximum rate of ~~\$4,456~~ \$4,579 for the first ANB is decreased
15 at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in
16 excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

17 (c) for an elementary school district or a K-12 district elementary program with an approved and
18 accredited junior high school or middle school, the sum of:

19 (i) a maximum rate of ~~\$4,456~~ \$4,579 for the first ANB for kindergarten through grade 6 is decreased at
20 the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000
21 receiving the same amount of entitlement as the 1,000th ANB; and

22 (ii) a maximum rate of ~~\$5,704~~ \$5,861 for the first ANB for grades 7 and 8 is decreased at the rate of 50
23 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800
24 receiving the same amount of entitlement as the 800th ANB.

25 (15) "Total quality educator payment" means the payment resulting from multiplying ~~\$2,000~~ \$4,000 times
26 the number of full-time equivalent educators as provided in 20-9-327."

27

28 **Section 2.** Section 20-9-306, MCA, is amended to read:

29 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following
30 definitions apply:

- 1 (1) "BASE" means base amount for school equity.
- 2 (2) "BASE aid" means:
- 3 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the
- 4 general fund budget of a district;
- 5 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement,
- 6 up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the
- 7 special education allowable cost payment;
- 8 (c) the total quality educator payment;
- 9 (d) the total at-risk student payment;
- 10 (e) the total Indian education for all payment; and
- 11 (f) the total American Indian achievement gap payment.
- 12 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic
- 13 entitlement, 80% of the total per-ANB entitlement, 100% of the total quality educator payment, 100% of the total
- 14 at-risk student payment, 100% of the total Indian education for all payment, 100% of the total American Indian
- 15 achievement gap payment, and 140% of the special education allowable cost payment.
- 16 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may
- 17 be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through
- 18 20-9-369.
- 19 (5) "BASE funding program" means the state program for the equitable distribution of the state's share
- 20 of the cost of Montana's basic system of public elementary schools and high schools, through county equalization
- 21 aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the
- 22 BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.
- 23 (6) "Basic entitlement" means:
- 24 (a) ~~\$230,199~~ \$243,649 for each high school district;
- 25 (b) ~~\$20,748~~ \$21,929 for each elementary school district or K-12 district elementary program without an
- 26 approved and accredited junior high school or middle school; and
- 27 (c) the prorated entitlement for each elementary school district or K-12 district elementary program with
- 28 an approved and accredited junior high school or middle school, calculated as follows using either the current
- 29 year ANB or the 3-year ANB provided for in 20-9-311:
- 30 (i) ~~\$20,748~~ \$21,929 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of

1 kindergarten through grade 8; plus

2 (ii) ~~\$230,199~~ \$243,649 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten
3 through grade 8.

4 (7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to
5 20-9-311.

6 (8) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement
7 for the general fund budget of a district and funded with state and county equalization aid.

8 (9) "Maximum general fund budget" means a district's general fund budget amount calculated from the
9 basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator payment,
10 the total at-risk student payment, the total Indian education for all payment, the total American Indian achievement
11 gap payment, and the greater of:

12 (a) 175% of special education allowable cost payments; or

13 (b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures
14 to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a
15 maximum allowable ratio of 200%.

16 (10) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted
17 that is above the BASE budget and below the maximum general fund budget for a district.

18 (11) "Total American Indian achievement gap payment" means the payment resulting from multiplying
19 ~~\$200~~ \$209 times the number of American Indian students enrolled in the district as provided in 20-9-330.

20 (12) "Total at-risk student payment" means the payment resulting from the distribution of any funds
21 appropriated for the purposes of 20-9-328.

22 (13) "Total Indian education for all payment" means the payment resulting from multiplying ~~\$20.40~~ \$26
23 times the ANB of the district or ~~\$100~~ \$130 for each district, whichever is greater, as provided for in 20-9-329.

24 (14) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations
25 and using either the current year ANB or the 3-year ANB provided for in 20-9-311:

26 (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$5,704~~ \$6,037
27 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through
28 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

29 (b) for an elementary school district or a K-12 district elementary program without an approved and
30 accredited junior high school or middle school, a maximum rate of ~~\$4,456~~ \$4,716 for the first ANB is decreased

1 at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in
 2 excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

3 (c) for an elementary school district or a K-12 district elementary program with an approved and
 4 accredited junior high school or middle school, the sum of:

5 (i) a maximum rate of ~~\$4,456~~ \$4,716 for the first ANB for kindergarten through grade 6 is decreased at
 6 the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000
 7 receiving the same amount of entitlement as the 1,000th ANB; and

8 (ii) a maximum rate of ~~\$5,704~~ \$6,037 for the first ANB for grades 7 and 8 is decreased at the rate of 50
 9 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800
 10 receiving the same amount of entitlement as the 800th ANB.

11 (15) "Total quality educator payment" means the payment resulting from multiplying ~~\$2,000~~ \$4,120 times
 12 the number of full-time equivalent educators as provided in 20-9-327."

13

14 **Section 3.** Section 20-9-327, MCA, is amended to read:

15 **"20-9-327. Quality educator payment.** (1) (a) The state shall provide a quality educator payment to:

16 (i) public school districts, as defined in 20-6-101 and 20-6-701;

17 (ii) special education cooperatives, as described in 20-7-451;

18 (iii) the Montana school for the deaf and blind, as described in 20-8-101; and

19 (iv) state youth correctional facilities, as defined in 41-5-103.

20 (b) A special education cooperative that has not met the requirements of 20-7-453 and 20-7-454 may
 21 not be funded under the provisions of this section except by approval of the superintendent of public instruction.

22 (2) (a) The quality educator payment for special education cooperatives must be distributed directly to
 23 those entities by the superintendent of public instruction.

24 (b) The quality educator payment for the Montana school for the deaf and blind must be distributed to
 25 the Montana school for the deaf and blind.

26 (c) The quality educator payment for Pine Hills and Riverside youth correctional facilities must be
 27 distributed to those facilities by the department of corrections.

28 (3) The quality educator payment is ~~\$2,000 times~~ calculated as provided in 20-9-306 using the number
 29 of full-time equivalent educators, as reported to the superintendent of public instruction for accreditation purposes
 30 in the previous school year, each of whom:

1 (a) holds a valid certificate under the provisions of 20-4-106 and is employed by an entity listed in
 2 subsection (1) in a position that requires an educator license in accordance with the administrative rules adopted
 3 by the board of public education; or

4 (b) (i) is a licensed professional under 37-8-405, 37-8-415, 37-11-301, 37-15-301, 37-23-201,
 5 37-24-301, or 37-25-302; and

6 (ii) is employed by an entity listed in subsection (1) to provide services to students."
 7

8 **Section 4.** Section 20-9-329, MCA, is amended to read:

9 **"20-9-329. Indian education for all payment.** (1) The state shall provide an Indian education for all
 10 payment to public school districts, as defined in 20-6-101 and 20-6-701, to implement the provisions of Article
 11 X, section 1(2), of the Montana constitution and Title 20, chapter 1, part 5.

12 (2) The Indian education for all payment is ~~the greater of \$100 for each district or \$20.40 for each ANB,~~
 13 calculated as provided in 20-9-311, for each fiscal year 20-9-306 and is a component of the BASE budget of the
 14 district.

15 (3) The district shall deposit the payment in the general fund of the district."
 16

17 **Section 5.** Section 20-9-330, MCA, is amended to read:

18 **"20-9-330. American Indian achievement gap payment.** (1) The state shall provide an American
 19 Indian achievement gap payment to public school districts, as defined in 20-6-101 and 20-6-701, for the purpose
 20 of closing the educational achievement gap that exists between American Indian students and non-Indian
 21 students.

22 (2) (a) The American Indian achievement gap payment is ~~\$200 for each~~ calculated as provided in
 23 20-9-306 using the number of American Indian student students enrolled in the district based on the count of
 24 regularly enrolled students on the first Monday in October of the prior school year as reported to the office of
 25 public instruction.

26 (b) A school district may not require a student to disclose the student's race.

27 (3) The district shall deposit the payment in the general fund of the district.

28 (4) On or before September 15, 2010, the office of public instruction shall report to the governor and the
 29 legislature on the change in status of standardized test scores, graduation rates, and drop-out rates of American
 30 Indian students using fiscal year 2006 data as a baseline."

